

Message Text

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ACTION NEA-10

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C O N F I D E N T I A L RABAT 6715

DEPARTMENT PLEASE PASS EXIMBANK

E.O. 11652: GDS
TAGS: PFOR BTRD ECON MO
SUBJECT: COMMENTS ON ECONOMIC AND COMMERCIAL TOPICS BY KING
HASSAN DURING DECEMBER 8 AUDIENCE

REF: RABAT 6641

1. POSSIBLE REQUEST TO EXIM RE WESTINGHOUSE PROPOSAL TO
SUPPLY AIR/GROUND ENVIRONMENT SYSTEM. IN DECEMBER 8
DISCUSSION OF WESTINGHOUSE PROPOSAL TO ERECT PLANT TO
EXTRACT URANIUM FROM PHOSPHORIC ACID, KING HASSAN TOLD
AMBASSADOR THAT GOM ALREADY HAD ESTABLISHED GOOD RELATION-
SHIP WITH WESTINGHOUSE, WHOSE PROPOSAL FOR
RADAR NETWORK AND INTERPRETATIVE VISUAL DISPLAY WAS NOT
ONLY TECHNICALLY SUPERIOR BUT FAR LESS COSTLY THAN FRENCH
THOMPSON CSF BID. AT FRENCH REQUEST, HE HAD RECENTLY
SENT HIS TECHNICIANS TO PARIS TO DO LINE BY LINE REVIEW
OF FRENCH BID. THIS REVIEW, HE SAID, FAILED TO CHANGE
THE SITUATION AS THOMPSON JUST COULD NOT COME NEAR
MEETING WESTINGHOUSE'S PRICE. KING THEREFORE IMPLIED,
AS WE HAD ALREADY HEARD FROM FORCES ARMEES ROYALES
SOURCE, THAT WESTINGHOUSE WOULD RECEIVE CONTRACT, BUT
HINTED THAT FINANCING WAS PRESENTING SOME DIFFICULTIES.
FYI: FRENCH ARE USUALLY GENEROUS WITH CREDIT TO MOROCCO
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IN SUCH CASES. WESTINGHOUSE PEOPLE PRESENTLY HERE TO

NEGOTIATE CONTRACT (WHICH NOW MAY BE UPTO \$240 MILLION) HAVE BEEN IN TOUCH WITH SEVERAL MAJOR BANKS IN US AS WELL AS LOCAL CITIBANK OFFICE ON AVAILABILITY OF US BANK CREDIT. ON DECEMBER 13 CITIBANK MANAGER TOLD ECOUN HIS HOME OFFICE MAY BE SPEAKING TO EXIM TO SEE WHAT MIGHT BE DONE TO LINE UP EXIM FINANCING FOR PORTIONS OF NETOWRK WHICH WILL BE CIVILIAN COMPATIBLE AND THUS OF USE IN PLANNED IMPROVEMENT OF NOUASSEUR INTERNATIONAL AIRPORT OPERATIONS. ONE MEMBER OF WESTINGHOUSE TEAM WHO WAS IN US LAST WEEK EXPLORING COMMERCIAL FINANCING POSSIBILITIES REPORTS THAT COMMERCIAL BANKS SEE NO PROBLEMS IN ARRANGING FINANCE AND ONE CHICAGO BANK SAYS IT COULD SYNDICATE ISSUE WITHIN 60 DAYS. END FYI.

2. OPEN DOOR FOR US BUSINESS. IN ABOVE CONTEXT, AMBASSADOR REMARKED THAT IF WESTINGHOUSE AND ONE OR TWO OTHER LARGE AMERICAN FIRMS RECEIVED CONTRACTS IN MOROCCO, THE WORD WOULD SOON SPREAD IN THE US BUSINESS WORLD THAT MOROCCO IS NOT A FRENCH PRESERVE, AND MORE AMERICAN COMPANIES MIGHT BEGIN EXPLORING POSSIBILITIES OF DOING BUSINESS IN THIS COUNTRY. AMBASSADOR ADDED THAT BADGER CORP. CONTRACT WITH OCP AND LOCKWOOD-GREENE CONTRACT FOR ENGINEERING JORF LASFOR AND ASSOCIATED INDUSTRIAL COMPLEX ARE OTHER STEPS IN THIS DIRECTION. KING SAID HE FULLY AGREED.

3. HOLIDAY INN. TURNING TO SMALL NUMBER OF UNRESOLVED CONTENTIOUS PROBLEMS WHICH HAVE IN RECENT PAST IMPAIRED BUSINESS/INVESTMENT CLIMATE OUT OF PROPORTION TO SUMS INVOLVED, KING SAID HE HOPED HOLIDAY INN DISPUTE COULD BE SOON RESOLVED AS THIS WAS A DETERMENT TO US INVESTMENT IN MOROCCO'S PROMISING TOURIST INDUSTRY. AMBASSADOR NOTED THAT CASE HAD BEEN BURDENED WITH MISUNDERSTANDINGS, BUT HE UNDERSTOOD MANY OF THESE HAD NOW BEEN CLEARED AWAY AND THERE IS CURRENTLY A POSSIBILITY FOR SETTLEMENT. KING WAS AWARE OF THE POSSIBILITY OF A MOROCCAN BUYER, AND HOPED THIS COULD SOON BE WORKED OUT.

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4. COMMENT. EMBASSY REPORTED SUBSTANCE THIS HIGH LEVEL INTEREST TO HI PARIS ATTORNEY WHO SAID HE OR OTHER HI REPRESENTATIVE WOULD BE VISITING MOROCCO IN NEAR FUTURE TO EXPLORE IMPLICATIONS DIRECTLY WITH GOM. WITH ESSO SETTLEMENT FORMALITIES SCHEDULED FOR DECEMBER 17, GOM IS DISCERNIBLY RESPONDING TO RECENT HIGH LEVEL APPROACHES ON DESIRABILITY OF RESOLVING LONG-STANDING COMMERCIAL DISPUTES TO ELIMINATE IMPEDIMENTS TO

MOROCCAN OPEN-DOOR POLICY FOR US BUSINESS. END COMMENT.
ANDERSON

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